

INTEGRATED COMMUNICATIONS GROUP

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October 3, 1996

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

Re: Comments on Third Notice of Proposed Rulemaking
Roaming, CC Docket No. 94-54

Integrated Communications Group Corporation is a small business composed of four minority owned founding companies, each of which is a small business. We participated in the C block auction and were successful in obtaining two small PCS licenses.

In the matter of interconnection and resale obligations pertaining to commercial Mobil radio services, we wish to comment on several issues that significantly affect small businesses.

First of all we urge the Federal Communications Commission (FCC) to promulgate transitional regulations governing certain commercial mobile radio service (CMRS) providers' obligation to enter into "automatic" roaming service to other carriers (i.e., carrier-to-carrier roaming service). New CMRS entrants will need to offer automatic roaming in order to make their services attractive to consumers. This is especially important to small businesses, many of which are not as well financed as the carriers and the A&B PCS winners and may have to rely on operational revenues as the main financial source to fully build out their systems.

Automatic roaming is necessary to insure new entrants an equal opportunity to compete, especially small firms. Automatic roaming will remove a market entry barrier for small businesses by promoting the development of competition by newer entrants to the market. Providers that enter into roaming agreements with any other provider should be required to make like agreements available to similarly situated providers under nondiscriminatory rates, terms, and conditions. The widespread availability of automatic roaming capability on cellular, broadband PCS and covered SMR networks will promote nationwide, ubiquitous, and competitive telecommunication services that market forces alone may not produce, and thus automatic roaming will serve the public interest.

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Automatic roaming entails some costs. One such cost is fraud. Fortunately new digital technology has been deployed that helps to eliminate fraud issues and several companies are developing technologies, innovative systems and procedures to also control fraud. Manual roaming will mean loss revenue and an inferior competitive service provided by new entrants. Manual roaming is also expensive. Usually a premium fee is charged and requires a manual roamer to establish a relationship with a telecommunications user that has no pre-existing contractual relationship between that subscriber and the system on which he or she wants to roam. In addition, the process is cumbersome, complicated, and inconvenient for the subscriber. Manual roaming will impede the growth and development of new market entrants. This market entry barrier can be overcome if contractual relationships for automatic roaming can be established between wireless systems operators. Contractual agreements can address operational issues such as credit, fraud, and cloning.

It is critical that customers of all providers, including small businesses, competing in the mass market for two-way, real-time, interconnected switched voice service have an equal opportunity to obtain automatic roaming services. The benefits will far outweigh the costs. Established providers have the ability and incentive to disadvantage their competitors by denying new entrants nondiscriminatory automatic roaming agreements. Cellular providers may refuse to enter into automatic roaming agreements with new entrants for anticompetitive reasons. Our experience with cellular providers is they favor captive agents and disfavor resellers. In California, despite state Public Utilities Commission regulations establishing resellers and policies encouraging resellers, cellular carriers develop anticompetitive practices to limit the development of resellers.

PCS systems will have coverage inferior to cellular providers until they fully deploy their systems. Small PCS licensees, especially minorities and women owned entities are having difficulties raising capital. These entities, much like ourselves, have few options other than build out our PCS systems gradually. Under these circumstances roaming is important not only in adjacent geographical areas but within their own BTA's. However, cellular carriers have an incentive to restrict competition and refuse to enter into automatic roaming agreements, especially with switched based operators, even small entities.

In reference to the question that automatic roaming agreements might discourage build out of networks, this issue is addressed by the FCC's build out requirements that have a build out schedule as a condition of retaining the PCS license.

Sincerely yours,

A handwritten signature in black ink that reads "Mateo R. Camarillo". The signature is fluid and cursive, with the first name "Mateo" being the most prominent part.

Mateo R. Camarillo
Coordinator